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Federal Communications Commission
Office of the Secretary**GRANTED**

JUL 19 2005

COMPETITION POLICY DIVISION
WIRELINE COMPETITION BUREAU

Expires Sept 17, 2005

Julie A. Vlach, Acting Chief

July 18, 2005

DATE STAMP & RETURNThe Washington Harbour
3000 K Street, N.W., Suite 300
Washington, D.C. 20007-5116
Phone 202.424.7500
Fax 202.424.7647
www.swidlaw.com

SWIDLER BERLIN LLP

BY HAND DELIVERYMs. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554**RECEIVED**

JUL 18 2005

Federal Communications Commission
Office of SecretaryRe: Amended Request of Homebase Acquisition LLC and Consolidated
Illinois Holdings, Inc. for a Corporate Reorganization and the Transfer of
Control of International and Domestic Carriers WCD-05-234

Dear Ms. Dortch:

Consolidated Communications Illinois Holdings, Inc. ("CCIH") and Homebase Acquisition, LLC ("Homebase" and, together with CCIH, collectively, "Applicants"), by their undersigned attorneys and pursuant to Section 214 of the Communications Act of 1934, 47 U.S.C. §214, hereby request expedited Special Temporary Authority ("STA") for the approval for the transfer of *de facto* control of Homebase's subsidiaries that hold domestic and international authority under Section 214 and their respective Section 214 authorizations from Homebase to CCIH,¹ as a result of a corporate reorganization and the initial public offering of stock of CCIH (the "Transaction"). Applicants respectfully request that the Commission grant this STA request as soon as possible, and not later than July 19, 2005 so that the Initial Public Offering described below can continue to proceed as scheduled.

¹ Homebase's subsidiaries that hold international authority under Section 214 are: Consolidated Communications Network Services, Inc. and Consolidated Communications Telecom Services of Texas Company (collectively, the "International 214 Subsidiaries"). Homebase's subsidiaries that operate under domestic authority under Section 214 are: Illinois Consolidated Telephone Company, Consolidated Communications Network Services, Inc., Consolidated Communications Operator Services, Inc., Consolidated Communications Public Services, Inc., Consolidated Communications of Texas Company, Consolidated Communications of Fort Bend Company and Consolidated Communications Telecom Services of Texas Company (collectively, the "Domestic 214 Subsidiaries" and, together with the International 214 Subsidiaries the "Operating Subsidiaries").

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As detailed in the underlying application filed concurrently herewith and attached hereto as Exhibit A (the "Application"), the International 214 Subsidiaries hold international Section 214 authority and provide international communications services and the Domestic Section 214 Subsidiaries provide domestic interexchange services pursuant to blanket domestic Section 214 authority.²

Pursuant to the proposed Transaction, Applicants will complete a corporate reorganization and CCIH will complete an initial public offering of its common stock to the public (the "IPO"). As noted in detail in the Application, the proposed corporate restructuring is *pro forma* in nature and the ownership transfers arguably do not result in any *de facto* transfer of control of the Operating Subsidiaries. However, because of the importance of the Transaction and the fact that there is no bright line test for what constitutes a *de facto* transfer of control, Applicants are filing the Application to transfer control of the Operating Subsidiaries.

The long and complex process of preparing for the IPO is nearing completion and Applicants have concluded significant negotiations with the underwriters and are in the midst of the "road show" to market CCIH's shares to the public. During the very last stages of the process, the structure of the Transaction changed somewhat as the parties have sought to maximize the value of the offering, and those changes have necessitated this Application. Given the status of the IPO process and the advice of the underwriters that the capital markets are currently receptive to the offering, it is critical that the parties be in a position to "price" the Transaction by July 19, 2005. If the transaction is not priced on that time frame, CCIH will not be able to complete the transaction prior to the traditional August break in capital markets transactions and CCIH will have to wait until the Fall to complete its initial public offering (by which time the current conditions of the capital markets may change for the worse). If this "window of opportunity" is lost, CCIH would lose the ability to obtain \$90,000,000 which will allow CCIH and its subsidiaries to significantly improve their financial position and balance sheet. In addition, CCIH would have lost the significant benefits of having access to the public markets to finance its operations and capital investments and to further reduce the amount of its indebtedness. Consummation of the proposed Transaction is contingent upon, among other things, approval of the Application by the Commission. Therefore, Applicants request STA approval of the Application.

Failure to obtain an STA to complete the Transaction as currently scheduled could also have negative implications for the Company's operations and thereby seriously prejudice the public interest. As an immediate matter, for example, the Company would have to reduce immediately its capital investment plans, including projects such as new switching facilities, OSS software, enhanced billing platforms, plant maintenance and

² Certain Operating Subsidiaries also hold satellite earth station and wireless licenses (paging services). Applications to transfer control of those licenses and for approval of the *pro forma* reorganization are also being filed concurrently herewith, along with a request for Special Temporary Authority similar to this request.

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repair vehicles. Such deferral may, among other things, impair its ability to deliver and extend service to new, fast growing customer locations, especially in exurban areas of Conroe and Katy, Texas, as well as Montgomery County, Texas, since the Company would have to continue in a cash constraint mode of operations. This would adversely impact both residential and small business subscribers, as well as potential new subscribers in new locations within the Company's incumbent rural-exurban service territories.

Grant of the relief requested herein, on the other hand, will enhance the ability of the Operating Subsidiaries to continue operations. After the final completion of the proposed Transaction, the existing management and operations staff will continue to oversee the day-to-day operations of CCIH and the Operating Subsidiaries. Thus, the Operating Subsidiaries will continue to provide high quality, affordable services. The proposed transaction will not cause inconvenience or confusion to the Operating Subsidiaries' customers but rather will allow Applicants to realize certain critical financial benefits. Indeed, the transaction will be virtually transparent to the Operating Subsidiaries' customers.

In the long term, approval of the Transaction will permit Applicants to realize significant economic and marketing efficiencies and, as a result, compete more effectively. By enhancing the Operating Subsidiaries' economic position and their ability to continue providing high quality, low-cost telecommunications services, the proposed transaction will promote competition in the domestic and international telecommunications services marketplace and, thereby, benefit the public interest. Grant of the requested STA, therefore, will more quickly promote competition among carriers by enabling Applicants and the Operating Subsidiaries to significantly improve their financial condition and balance sheet and to respond to market forces and developments in the telecommunications marketplace segments in which the Operating Subsidiaries compete. Accordingly, for both immediate and long term compelling business reasons, the Parties respectfully request an STA so that they may proceed to complete the proposed Transaction before July 19, 2005.

Applicants filed their original request for an STA on July 13, 2005 (the "STA Request"). Based on conversations with Commission staff, Applicants hereby amend and supplement their STA Request as follows:

1. Applicants understand that following conversations with Commission staff, the Transaction would be considered by the Commission as a substantial transfer of control of Applicants that requires prior Commission approval.
2. Applicants covenant to notify the Commission promptly upon learning that any person (other than those previously notified to the Commission) acquires a 10% or greater interest in CCIH as a result of the IPO. Applicants will provide to the Commission all necessary information about such 10% or greater owner in accordance with the Commission's rules.

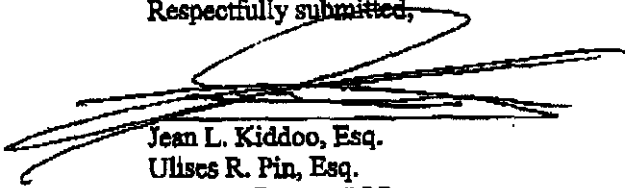
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3. Applicants hereby inform the Commission that Mr. Richard A. Lupmkin is a U.S. citizen.

Accordingly, Applicants respectfully request grant of STA as soon as possible. Applicants acknowledge that grant of this request will not prejudice action by the Commission on the underlying Application and that any authority granted pursuant to this request is subject to cancellation or modification upon notice, but without a hearing.

Should you have any questions or require further information, please do not hesitate to contact us.

Respectfully submitted,



Jean L. Kiddoo, Esq.
Ulises R. Pin, Esq.
SWIDLER BERLIN LLP
3000 K Street, NW, Suite 300
Washington, DC 20007
Tel: (202) 424-7500
Fax: (202) 295-8478

COUNSEL FOR HOMEBASE
ACQUISITION, LLC and
CONSOLIDATED COMMUNICATIONS
ILLINOIS HOLDINGS, INC.

Enclosures

cc (by email): Breck Blalock (FCC)
James Ball (FCC)
Renee Critterdon (FCC)
Gardner Foster (FCC)
Kathy Harris (FCC)
Karl Kensinger (FCC)
David Krech (FCC)
JoAnn Lucanik (FCC)
Brad Lerner (FCC)
Erin McGrath (FCC)
Susan O'Connell (FCC)
Roderick Porter (FCC)
Jeanette Spriggs (FCC)
Tracey Wilson-Parker (FCC)

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Edward Pence (CCI)